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PET 15-2 LIBYA (R)

XR PET 15-2 UK

Department of State TELEGRAM

XR PS 8-4 UK-IT

XR PET 17-2 IT-LIBYA

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ACTION E-11

INFO OCT-01 AF-08 EUR-20 NEA-09 CIA-00 DODE-00 PM-06 H-02
INR-06 L-03 NSC-10 P-03 RSC-01 PRS-01 SS-14 USIA-12
NSA-02 INT-06 OEP-01 IRSE-00 COM-08 OPIC-12 RSR-01

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R 051552Z JAN 72
FM AMEMBASSY ROME
TO SECSTATE WASHDC 2398
INFO AMEMBASSY BEIRUT
AMCONSUL BENGHAZI
AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY TRIPOLI
AMCONSUL PALERMO

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY _____ DATE 3/4/72
RDS or XDS EXT. DATE _____
TS AUTH. _____ REASON(S) _____
EXDIS/LIMDIS EXISTING MARKING
SPECIAL CAPTION INSTRUCTIONS
PRIVACY EXEMPTIONS _____

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SUBJ: OIL: NATIONALIZATION OF BP LIBYA

REF: ROME 0036

1. IN FURTHER PRESS COVERAGE OF PENDING BP LAWSUIT AGAINST SINCAT, ITALIAN COMPANY IS TAKING PUBLIC POSITION THAT IT CANNOT BE HELD RESPONSIBLE SINCE IT IS REFINING CRUDE RECEIVED FROM LIBYANS UNDER CONTRACT AND IS NOT ITSELF TAKING TITLE TO THE OIL. WHILE THIS POSITION IS ESSENTIALLY ACCURATE IN THAT SINCAT HAS BEEN WORKING FOR LIBYAN NATIONAL OIL COMPANY UNDER CONTRACT SINCE LAST SEPTEMBER, LEGAL PICTURE IS CONSIDERABLY CLOUDED BY THE FACT THAT SINCAT TAKES PAYMENT FOR THE REFINING BY RETAINING SOME OF THE REFINED PRODUCTS.

2. BP'S ROME LAWYERS SAY THAT FIRST HEARING ON THE SUIT WILL BE SCHEDULED FOR MARCH 21 INDICATING THAT LEGAL BATTLE WILL BE A PROLONGED ONE.

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3. A THREE-MAN LIBYAN DELEGATION ARRIVED FROM TRIPOLI JAN 4 AND CALLED ON FONMINISTRY URGING ITALIAN GOVT INTERVENTION ON LIBYAN BEHALF. FONMINISTRY SOURCE SAY THEY STRESSED TO LIBYANS: SEPARATION OF POWERS BETWEEN EXECUTIVE AND JUDICIARY IN ITALY BUT THAT THIS DID NOT SEEM TO SATISFY VISITORS WHO ARE REPORTEDLY IN MILAN TODAY HAVING TALKS WITH SINCAT PARENT FIRM MONTEDISON.

4. ONE ECONOMIC DAILY "IL SOLE" REPORTED THAT LIBYANS HAD ALSO VISITED ENI. A REPORT WHICH ENI VICE PRES RATTI INDIGNANTLY DENIED IN CONVERSATION WITH EMBOFF. RATTI SAID ENI HAS NOTHING TO DO WITH THIS DISPUTE AND IS TRYING VERY HARD TO STAY CLEAR OF IT PARTICULARLY SINCE ENI HAS STILL NOT OBTAINED PERMISSION FROM LIBYANS TO START LIFTING CRUDE FROM ENI'S FIELD IN CONCESSION 100. MARTIN

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